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November **8,2002**

Ms Marlene H. Dortch Secretary Federal Communications Commission The Portals 445 12th Street, S.W. Washington, D.C. 20554

Re: WC Docket No. 02-307 - Ex Parte # 2

Dear Ms Dortch:

This is to inform you that on November 7, 2002, I met with Christine Newcomb and Craig Stroup of the Commission's Wireline Competition at their request to discuss BellSouth's Simple Solutions trial program involving BAPCO and its Select loyalty program. Participating in the meeting by telephone were the following representatives of BellSouth: Kathy Blake; Ike Byrd; Cindy Cox; Kim Fadel; Bert Hogeman; Patti Klein; John Ruscilli; and Patrick Turner.

During the meeting Mr. Hogeman explained that the Select loyalty program was a corporate loyalty program administered by BellSouth Select, Inc, a separate affiliate of BellSouth Corporation. It is a tariffed program in six BellSouth states, including Tennessee, in which the tariff became effective on November 4, 2002. Business customers of BellSouth Telecommunications ("BST") with monthly billings of between \$100 and \$3000 for regulated and unregulated services can enroll in the Select program. Customers of BAPCO with monthly billings of at least \$100 can also enroll in the Select program. Customers joining the program earn "select points", but only for money spent after enrollment. A BST customer enrolled in the Select program earns 1 point for each dollar spent on regulated or unregulated services in a month; a BAPCO customer enrolled in the program earns 1 point for each \$3 spent in a month on BAPCO services.

Mr. Hogeman then explained that Select Points can be redeemed in one of three ways: (1) the customer can obtain benefits associated with the purchase of unregulated services, in the form of a BellSouth Select, Inc. issued check when the customer subscribes to the new unregulated service (e.g., redeem points for a check for an amount equal to the charges for first two months of Service when

subscribing to BellSouth's FastAccess DSL service); (2) the customer can use points to earn products or services offered by BellSouth Partners (e.g., travel, computer equipment); or (3) the customer can redeem points for cash by requesting a check from BellSouth Select, Inc., without subscribing to a new unregulated service. Points are funded at the time they are earned. If earned for regulated services purchased, the points are charged against BST regulated services; if earned for unregulated services, the points are charged against BST unregulated services. BAPCO points are charged against BAPCO.

Mr. Hogeman noted that in Florida the Select program is not tariffed and that there are three significant differences between the Florida program and the tariffed program described above: First, in Florida a customer must subscribe to an unregulated service to be eligible for the program. Second, in Florida, a customer's redemptions are limited to the cumulative payments for unregulated services purchased while a program participant. Third, in Florida, all costs incurred by BST by participation in the program are charged against and recorded as unregulated expenses.

Ms. Cox restated that the Simple Solutions trials involving BAPCO, described in the Network Telephone comments, have not been implemented in either Florida or Tennessee. She emphasized that the BAPCO-related trials are distinct from, and should not be confused with, the Simple Solutions program itself, that is tariffed in all BellSouth states other than Florida.

In accordance with Section 1.1206, I am filing this notice electronically and request that you please place it in the record of the proceeding identified above. Thank you.

Sincerely,

Kathleen B. Levitz

cc: Christine Newcomb

Craig Stroup Janice Myles

James Davis-Smith

Kathlen B. Leirtz

Luin Fitch Sara Kyle Beth Keating